

Pursuant to 37 C.F.R. § 1.121(b), please amend the specification by deleting the indicated paragraphs and replacing the indicated paragraphs with the clean versions of the replacement paragraphs as set forth below. A marked up version of the replacement paragraphs to show the changes relative to the previous versions of the paragraphs are set forth separately as Appendix A to this Request for Continued Examination.

Page 4, first full paragraph, beginning "In the embodiment illustrated in Fig. 1, . . ."

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In the embodiment illustrated in Fig. 1, the receiver 106 is connected to a point of sale (POS) device 108 for conducting a commercial or other transaction. For instance, the point of sale device 108 may be or include any of several commercially known electronic cash registers or related transaction processing equipment, such as point of sale terminals manufactured by Sharp Corp. or others. In one embodiment of the invention, transponder 102 may be embedded within a personal article 130 for convenience, aesthetic and affinity purposes. In that regard, the invention has been integrated in one implementation within a fully functional watch manufactured by the Swatch Corporation. Embedding in other personal articles 130, such as key chains, pagers, clothing or other items is also possible.

Page 4, final paragraph, beginning with "In the operation of the invention . . ."

In the operation of the invention, a user who has subscribed to the account system of the invention may approach the receiver 106 at the point of sale device 108 to initiate and complete a purchase or other transaction, such as at a restaurant or grocery market checkout line, or other points of sale 128. In the embodiment illustrated in Fig. 1, transponder 102 contains an encoded